

UNITED STATES DEPARTMENT OF AGRICULTURE



RURAL DEVELOPMENT

Intermediary Relending Program



◆ OBJECTIVE

- ◆ To finance business facilities and community development projects in rural areas.

◆ ELIGIBLE BORROWERS

- ◆ Intermediaries may be non-profit corporations, Indian tribes, public agencies, and cooperatives.
- ◆ Intermediaries must have:
 - ◆ Legal Authority
 - ◆ An acceptable delinquency rate
 - ◆ Repayment ability
 - ◆ A minimum of 51% U.S. ownership or legal residents
 - ◆ No other source of credit available at reasonable rates and terms
 - ◆ Recent experience in loan making and servicing
 - ◆ Experienced staff with background and expertise
 - ◆ Financial staff with background and expertise

◆ LOAN PURPOSES

Intermediaries—To provide loans to ultimate recipients in accordance with RD regulations. Certification required prior to Rural Development concurrence.

Ultimate Recipients—Loans must be used for community development projects, new business, or expansion, creation or saving of jobs, particularly for low-income persons and displaced farm families. Funds may be used for purchase, construction, repair, expansion, pollution control, operating expenses, working capital, feasibility studies, interest, etc.

Interest income and other authorized fees received by the intermediary may be used to pay for administrative costs, technical assistance, loan losses, and principal repayment. Any proceeds in excess of these allowable charges must revolve back to the IRP fund for further relending.

◆ INELIGIBLE LOAN PURPOSES

Funds may **not** be used for:

- ◆ Payment of intermediary's administrative expenses
- ◆ The purchase of excessive goods or services
- ◆ Payment to owners, partners, shareholders, family members, etc., when/such individuals will retain any interest in the business
- ◆ Charitable and educational institutions, churches, or fraternal organizations
- ◆ Assistance to government employees, (civilian or military) or officers, owners, or principals of the ultimate recipient
- ◆ A loan to an ultimate recipient, which has an application pending or a loan from another intermediary without prior written approval
- ◆ Financing more than 75% of a project
- ◆ Total IRP assistance is greater than \$250,000
- ◆ Agricultural production
- ◆ Transfer of ownership except to keep a business from closing or to prevent the loss of employment
- ◆ Community antenna TV service of facilities
- ◆ Any illegal activity
- ◆ Any otherwise eligible project that is in violation of environmental regulations
- ◆ Golf courses, race tracks, or gambling facilities
- ◆ Lending and investment institutions and insurance companies

◆ LOAN TERMS

- ◆ Loans to intermediaries are scheduled for repayment over a period of up to 30 years at 1% interest per annum.
- ◆ Initial loans to intermediaries may be up to \$2 million, with subsequent loans of up to \$1 million per year for a total of up to \$15 million.
- ◆ Intermediary loans to ultimate recipients cannot exceed \$250,000. Length of the loan and interest rate charged are negotiated between parties.

◆ SECURITY

- ◆ All loans to intermediaries and ultimate recipients must be secured in such a manner as to insure reasonable and orderly repayment of the loan.
- ◆ Intermediaries — Security will normally consist of a lien on the IRP revolving funds and any other funds or property agreed upon by Rural Development and the intermediary.
- ◆ Ultimate Recipients — Security requirements will be negotiated between the intermediary and the ultimate recipient; however, Rural Development may require additional security if necessary to protect the government's interest. Security documents will be assigned to Rural Development but recorded only at Rural Development's discretion.

◆ CONFLICT OF INTEREST

- ◆ Rural Development will make the final decision regarding conflict of interest issues. No assistance will be approved until any conflict has been resolved.

◆ POST AWARD REQUIREMENTS

- ◆ Post closing activities will be governed by the loan agreement, work plan, etc. Rural Development concurrence is required prior to making any loan commitment to an ultimate recipient. All funds derived from IRP lending should be deposited in an interest-bearing account covered by FDIC. Interest earned on these funds will be used only for authorized purposes.

◆ FEES AND CHARGES

- ◆ A late payment may be charged to an ultimate recipient when a payment is not received in accordance with the terms of the loan. All fees and charges must be specifically documented and justified on the intermediary's application. Limited packaging and investment banker fees are permissible with Rural Development's written approval.

◆ OTHER REGULATORY REQUIREMENTS

- ◆ Intergovernmental Review — can be waived for some loan purposes such as working capital, equipment purchases, and refinancing.
- ◆ Environmental Requirements — Class II assessment required for all loans to Intermediaries. Ultimate recipient loans are governed by the nature of the proposed project.
- ◆ Insurance requirements will be agreed upon between the Intermediary and the ultimate recipient with Rural Development's concurrence.

Applications: Form RD 4274-1; Application requirements and loan priorities can be found in RD Instruction 4274-D. Copies can be obtained from the Rural Business-Cooperative Service in the State Office.

◆ INQUIRIES ◆

United States Department of Agriculture
Rural Development
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(207) 990-9168
TDD/TTY: (207) 942-7331
email: rbs.info@me.usda.gov
www.rurdev.usda.gov/rbs

Rural Development is an Equal Opportunity lender, provider, and employer

INTERMEDIARY RELENDING PROGRAM PARTICIPANTS ~ JUNE 2013

Organization: **Androscoggin Valley Council of Governments**
Contact: Mr. Greg Whitney
Address: 125 Manley Rd., Auburn, ME 04210
Phone: (207) 783-9186
Fax: (207) 783-5211
Service Area: Androscoggin, Franklin, & Oxford Counties
Email: gwhitney@avcog.org

Organization: **Biddeford-Saco Area Economic Development Corporation**
Contact: Mr. William O. Armitage
Address: 190 Main St., PO Box 536, Saco, ME 04072
Phone: (207) 282-1748
Fax: (207) 282-3149
Service Area: Biddeford & Saco, Maine & surrounding areas
Email: willa@basedc.org

Organization: **Caribou Economic Growth Council**
Contact: Mr. Duane P. Walton
Address: PO Box 779, Caribou, ME 04736
Phone: (207) 498-8736
Fax: (866) 461-5576
Service Area: Caribou
Email: dwalton@nmdc.org

Organization: **Coastal Enterprises, Inc.**
Contact: Mr. Al Moroney
Address: PO Box 268, Wiscasset, ME 04578-0268
Phone: (207) 882-7552
Fax: (207) 882-7308
Service Area: Primarily Midcoast Maine, able to serve whole State
Email: ahm@ceimaine.org

Organization: **Community Concepts Finance Corporation**
Contact: Mr. Joe Balchunas
Address: 240 Bates Street, Lewiston, ME 04240
Phone: (207) 333-6410
Fax: (207) 743-6513
Service Area: Androscoggin, Franklin & Oxford Counties
Email: jbachunas@community-concepts.org

Organization: **Eastern Maine Development Corporation**
Contact: Ms. Rhonda Amsden
Address: 40 Harlow Street, Bangor, ME 04402-2579
Phone: (207) 942-6389
Fax: (207) 942-3548
Service Area: Hancock, Knox, Penobscot, Piscataquis, Waldo, & Washington Counties
Email: ramsdn@emdc.org

Organization: **Finance Authority of Maine**
Contact: Mr. Charles Emmons
Address: PO Box 949, Augusta, ME 04333-0949
Phone: (207) 623-3263/1-800-228-3734
Fax: (207) 623-0095
Service Area: State of Maine
Email: cemmons@famemaine.com

Organization: **City of Gardiner**
Contact: Mr. Cole Palmer (at KVCOG)
Address: 6 Church Street, Gardiner, ME 04345
Phone: (207) 453-4258 x214
Fax: (207) 453-4264
Service Area: Kennebec County
Email: cpalmer@kvkog.org

Organization: **Kennebec Valley Council of Governments**
Contact: Mr. Cole Palmer
Address: 17 Main Street, Fairfield, ME 04937-1119
Phone: (207) 453-4258 x214
Fax: (207) 453-4264
Service Area: Kennebec & Somerset Counties & towns of Burnham, Freedom, Palermo, Thorndike, Troy, & Unity in Waldo County
Email: cpalmer@kvkog.org

Organization: **Lewiston-Auburn Economic Growth Council**
Contact: Mr. John Belisle
Address: 415 Lisbon Street, Suite 400, Lewiston, ME 04240
Phone: (207) 784-0161
Fax: (207) 786-4412
Service Area: Auburn, ME
Email: ibelisle@economicgrowth.com

Organization: **Town of Lisbon**
Contact: Ms. Tracey Steuber
Address: 300 Lisbon Street, Lisbon, ME 04250
Phone: (207) 353-3000 x 122
Fax: (207) 353-3007
Service Area: Town of Lisbon
Email: TSteuber@lisbonme.org

Organization: **Midcoast Council of Governments**
Contact: Mr. Scott Benson
Address: 752 High Street, Bath, ME 04530
Phone: (207) 443-5790
Fax: (207) 443-8675
Service Area: Towns of Brunswick & Harpswell in Cumberland County, all of Lincoln, Knox, & Sagadahoc Counties, and towns of Searsport, Belmont, Northport, & Lincolnville in Waldo County
Email: sbenson@mceddme.org

Organization: **Northern Maine Development Commission**
Contact: Mr. Duane P. Walton
Address: PO Box 779, Caribou, ME 04736
Phone: (207) 498-8736/1-800-427-8736
Fax: (207) 493-3108
Service Area: State of Maine
Email: dwalton@nmdc.org

Organization: **Sunrise County Economic Council**
Contact: Mr. Harold W. Clossey
Address: 53 Prescott St., Suite 3, Machias, ME 04654
Phone: (207) 255-0983
Fax: (207) 255-4987
Service Area: Washington County
Email: hclossey@sunrisecounty.org